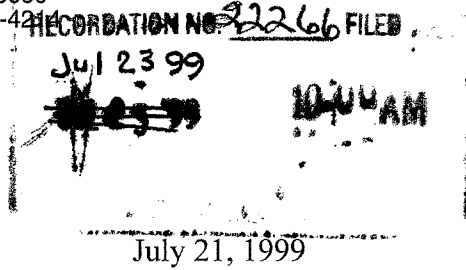


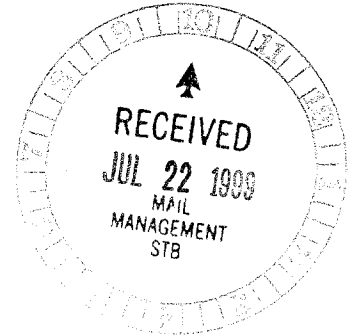
First Union Rail Corporation

One O'Hare Center
6250 River Road, Suite 5000
Rosemont, Illinois 60018-4211
847 318-7575
Fax 847 318-7588

**FIRST
UNION**



VIA FEDERAL EXPRESS



Mr. Vernon E. Williams
Surface Transportation Board
1925 K Street, N.W., Room 704
Washington, DC 20423-0001
Attn: Recordation of Railroad Equipment

Re: Memorandum of Lease Agreement

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) originals and two (2) copies of a Memorandum of Lease Agreement, dated April 12, 1999, a primary document as defined in the Board's Rules for the Recordation of Documents. Please file this Memorandum of Lease as a primary document since a Master Lease has not been filed with the Surface Transportation Board. The names and addresses of the parties to the enclosed document are:

Lessor: First Union Rail Corporation
One O'Hare Center
6250 River Road, Suite 5000
Rosemont, IL 60018

Lessee: Waterloo Railway Company
455 N. Cityfront Plaza Drive
Chicago, IL 60611-5504

A description of the railroad equipment covered by the enclosed document is set forth on Exhibit A, as attached to such Memorandum.

Also enclosed is a check in the amount of \$26.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return one (1) stamped original of the enclosed document to the undersigned.

If you have any questions or concerns regarding the above-referenced matter, please feel free to contact me at (847) 384-5342. Thank you for your cooperation in this matter.

Very truly yours,

Tiffany Chase
Manager of Documentation

Enclosures

(WLO007,WLO008)

ASSIGN: WLO007, WLO008

Memorandum of Lease

RECORDATION NO 22266 FILED

APR 23 1999

10:04 AM

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 12th day of April, 1999, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Waterloo Railway Company ("Lessee"), a Delaware corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement, dated as of April 8, 1999, whereby Lessor has agreed to lease to Lessee certain railcars being described in more particular on Exhibit A attached hereto, effective as of the date set forth above and subject to the terms, conditions and provisions of said Agreement.

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum to be duly executed under seal by their respective officers duly authorized as of the date and year first above written.

LESSOR:

FIRST UNION RAIL CORPORATION

ATTEST:

By: Richard F. Seymour

Name: RICHARD F. SEYMOUR

Vice President Sales & Marketing

By: K.A. Dombrowski

Name: K.A. DOMBROWSKI

Title: DIRECTOR OF DOCUMENTATION Executed on this 6th day of May, 1999.

[CORPORATE SEAL]

STATE OF ILLINOIS

COUNTY OF COOK

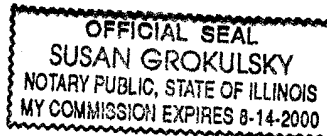
I, Susan Grokulsky, a Notary Public of the County and State aforesaid, certify that Richard F. Seymour personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 16th day of May, 1999.

Susan Grokulsky
Notary Public

My Commission Expires:

8/14/2000
(Notary Public)



LESSEE:

WATERLOO RAILWAY COMPANY

ATTEST:

By: Howard A. Stone

Name: Howard A. Stone

By: _____

Title: Asst. Treasurer

Name: _____

Title: _____

Executed on this 29 day of April, 1999.

[CORPORATE SEAL]

STATE OF _____

COUNTY OF _____

I, _____, a Notary Public in and for said state and county, certify that _____ personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease Agreement.

WITNESS my hand and official stamp or seal, this _____ day of _____, 1999.

Notary Public

My Commission Expires:

(Notary Public)

STATE OF ILLINOIS

COUNTY OF COOK

I, PATRICIA STANCZYKIEWICZ, a Notary Public in and for said state and county, certify that HOWARD A. STONE personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 4th day of MAY, 1999.

Patricia Stanczykiewicz
Notary Public

My Commission Expires:

(Notary Public)



EXHIBIT A
to
Memorandum of Lease

NUMBER OF CARS: One Hundred Nine (109)

DESCRIPTION OF CARS: Plate C Box Cars - 50'6"

CAR NUMBERS: See below:

WLO	503547
WLO	503548
WLO	503549
WLO	502828
WLO	502857
WLO	502858
WLO	502859
WLO	502860
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WLO	502862
WLO	502863
WLO	502864
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WLO	502972
WLO	504750
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